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ATKINSON, JR,

The Associated Press

Economies

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THE ASSOCIATED PRESS

BY

FREDERICK MORTIMER ATKINSON, JR.

THESIS

FOR THE

DEGREE OF BACHELOR OF ARTS

COLLEGE OF LITERATURE AND ARTS

UNIVERSITY OF ILLINOIS

1913

1913
At5

UNIVERSITY OF ILLINOIS

May 31 1913.

THIS IS TO CERTIFY THAT THE THESIS PREPARED UNDER MY SUPERVISION BY

Frederick Mortimer Atkinson, Jr.

ENTITLED The Associated Press

IS APPROVED BY ME AS FULFILLING THIS PART OF THE REQUIREMENTS FOR THE

DEGREE OF Bachelor of Arts.

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- A. Definition; scope.
- B. Scope of the present article.

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1. Object and purposes.
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 - a. Defined.
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 1. By members.
 2. By directors.
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 - a. Powers.
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 6. Duties and obligations of members.
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 8. Bond issues.
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- C. Domestic news service.
1. Divisions of the country.
 - a. Eastern.
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1.
THE ASSOCIATED PRESS.

I

INTRODUCTION.

The greatest news-gathering and news-distributing agency in the world to-day is The Associated Press. Tremendous is its power, world-wide is its activity. Incorporated under the laws of New York in 1900 as "an association of persons who, owning or representing certain newspapers, united in a mutual and cooperative organization for the collection and interchange, with greater economy and efficiency, of information and intelligence for publication in the newspapers owned or represented by them," it is to-day the foremost of all press associations.

Before one can grasp the full significance of these statements, however, a brief exposition of news is essential, for the universal need of this commodity has been the primary cause for the association's development. Second, a preliminary survey of the early methods of collecting and disseminating news is important, for only by a discussion of the precursors of this modern organization can the present dominant position of The Associated Press in the realm of economics be adequately comprehended. Third, the press association

1. The author desires to acknowledge his indebtedness to Mr. M.E. Stone for a copy of the charter and by-laws, for a booklet entitled "The Associated Press", and for much valuable information contained in a series of articles in The Century Magazine; to Mr. Paul Cowles for his personal aid in contributing information and suggestions; to Professor M.H. Robinson and Professor F.V. Scott for their helpful criticisms; to Mr. C.E. Kloeber's articles in The Bookman; and to the other sources which compose the bibliography.

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have played such an important part in the development of news-gathering and news-distributing as a business that a brief sketch of them is also necessary. Following this threefold introduction, The Associated Press will be treated at length from the viewpoint of its relations to economics, as shown by its history, organization and management, including both its domestic and foreign service, its importance, influence, and power.

II.

The Associated Press is the heart of newspaperdom.

NEWS. News is its life-blood which, coursing through its innumerable arteries in a never ending stream, furnishes nutrition to journalism and assuages the nation's thirst for intelligence. It is not easy to define news. Tiffany Blake said that news is gossip about facts. If this is true, news is as old as man; certainly as old as woman. Mr. Will Irwin calls news "anything that is a departure from the established order". One editor remarks that "A well trained newspaper reporter is the only one who is capable to telling through his sixth sense divination exactly what news is", and adds that after the reporter's story has been filtered by the city editor, the copy reader, the managing editor, and business manager nobody knows what news is. Another says that news is anything your readers want to know about. Despite these varying opinions it will serve our purpose to define news as intelligence regarding current events. Furthermore, news is an economic good for it unquestionably satisfies a human want—a want so urgent that its gratification brings into play the economic forces of the universe.

The importance of news is well illustrated by an incident which occurred shortly after the San Francisco earthquake. Follow-

ing this disaster, the editors of three morning newspapers retired to Oakland, and there issued a combined journal. A large edition was printed and conveyed by automobile to the parks of the stricken city where the inhabitants were sheltered in tents. Copies of the paper were given away. So great was the thirst for news that the unfortunates forgot all else, and literally mobbed the automobiles. "No bread wagon, no supply of blankets, caused half so much stir as did the arrival of the news," says Mr. Wallace Irwin. His further statement that news is "an intellectual craving and a commercial need to the modern world" is therefore well borne out.

III

EARLY METHODS OF GATHERING AND DISTRIBUTING NEWS.

ABROAD. With this cursory reference to news as a commodity, we may pass on to a discussion of the early methods by which it was gathered and distributed. Going back to the days of ancient Rome, we find that the principal mediums through which news was circulated were the Acta Diurna. These were small bulletins which reported the military operations, elections, games etc., and were compiled by the Actuarii, officers appointed for the purpose, who doubtless received their information first hand, or by fleet footed couriers. Posted in the forum or other public places, and sent periodically to distant parts of the provinces, they furnished the populace with the latest news events of the day. As civilization advanced there was a corresponding increase in the demand for news, which likewise led to a further development in the methods of supplying that demand. In modern Europe Italy took the lead, followed by Germany and France. The development in England, although late, began with the early news letters written by journalists originally employed by persons of rank to keep them informed of passing events

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during temporary absence from court. The news writers are described as going from coffee-house to coffee-house, into the Sessions House of Old Bailey, and into the precincts of Whitehall itself in search of material for their epistles.¹ Political pamphlets and chap books were also important news-distributing agencies in the early days. The first were merely short manuscripts announcing happenings in the world of politics. The chap books were small tracts written for the common people, and circulated by travelling dealers or chapmen. The more modern newspapers are an outgrowth of these early forms of news-distributing agencies, but their history, which would fill volumes, needs not to be considered in the present article.

IN THE UNITED STATES. In this country the early methods of gathering and distributing news were similar to those existing abroad. To England particularly is the United States indebted most for the development of journalism on this side of the Atlantic. The extracts from London newspapers formed the nucleus of the early American news letters. As time passed, "British opinion became our opinion, because English views were presented in the language common to both nations. These opinions were obviously easier to acquire and gave them wider currency in this country."² The development here at first retarded by political and economic conditions, soon became marked, and in no other country has the entire field of journalism enjoyed such a remarkable growth. The dominant factor in this development was the business enterprise applied. "Get the news" became the slogan of the day, and the methods used to carry out this mandate illustrate the handicaps which the early editors were forced to overcome.

1. Living Age, Vol. 171.

2. Mr. H. E. Stone. The Century Magazine, April 1905.

Chief among these handicaps was the inability to gather and distribute news quickly. In an age when the rotary press, the typewriter, the telephone, the telegraph and the wireless excite but passing comment, it is indeed difficult to imagine the obstacles which confronted the editors when the science of news-gathering and news-distributing was in its infancy. The two means which were used most extensively were the news schooners and the pony express. The first sailed out into the ocean and met incoming ships. The second ran races between Boston, New York, and Washington, for competition was as keen then as now. Editors vied with each other for the honor of first distributing news from Boston. Upon the arrival in that city of a ship from Europe, special trains were hired, and the news rushed as far inland as Stonington.¹ There it was despatched by boat, the railroad to New York not having been completed, and special editions rushed upon the streets. Before the advent of the telegraph, it took two days to get news from Washington to New York by pony express. The methods employed by David Hale and Gerald Mallock are typical of early American journalistic enterprise. These two editors had a semaphore erected to which their news schooners signalled the news, which, in turn, was transmitted inland. They also established a pony express from Philadelphia with eight relays of horses. Carrier pigeons were used extensively to carry intelligence. Pneumatic tubes were also utilized, and it is probable that balloons also played a part in satisfying the ever present craving for intelligence as summed up in the phrase "Get the news."

The
IMPORTANCE
of the
TELEGRAPH.

In the days before the telegraph was perfected the high cost of sending messages necessitated the use of a cipher. In this connection Mr. Melville E. Stone

1. The Bookman, Vol. 14.

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relates the following amusing incident. "A cipher was devised, one word representing a sentence. Thus the word 'dead' meant in the Congressional reports, 'after some days absence from indisposition, --- reappeared in his seat.' When this information was conveyed regarding Senator Davis of Massachusetts, the despatch read--'John Davis dead'. But the word dead was not recognized as a cipher by the receiving operator, and all the papers of New York and Boston proceeded to print post mortem eulogies, much to Davis's amusement". Similar mistakes were made when flag signals were misinterpreted. Then the telegraph was an assured success, however, conditions immediately changed, and a revolution took place in the methods of collecting and distributing news.

IV.

EARLY PRESS ASSOCIATIONS.

ABROAD. One of the greatest results of the telegraph was the development of the press association, "a cooperative organization for gathering and distributing information and reports of current events for daily newspapers." It is a product of the nineteenth century, it being unknown before 1848.¹ In that year Baron Julius Reuter of Prussia organized a continental news-transmitting agency in Paris for the purpose of serving leading newspapers of the European capitals. Between Brussels and Aix-la-Chapelle he formed a pigeon service, and connected it with Paris and Berlin by telegraph, extending his field of operations by establishing subordinate offices in other parts of the continent. The plan was successful, and after a short set-back in London, he secured the cooperation of the most prominent dailies. From that beginning there developed the great press associations of the present day.

In 1868 a subsidiary concern called The Press News Association of London was formed. As the telegraph gave birth to the press association, its extension determined the growth of this most important of all news-gathering and news-distributing agencies. Consequently, as the telegraph was perfected other press associations were formed. Most important among them were the Central News Agency of London, Havas Continental Agency, the Exchange Company, Dalziel's Cable News, and the National Press Agency. During the Franco-Prussian war and other similar events, great rivalry existed between these organizations.

In this country the first press association was the Associated Press of New York formed in 1848, with Mr. Gerard Hallock as president and Dr. Alex Jones manager. In 1865 the second was formed known as the Western Associated Press. A strong cooperative organ-

In the UNITED STATES. ization, it was for many years a dominant factor in

the business of gathering and distributing news in this country. For twenty years these two existed side by side. In addition to the Western Union wires, the companies controlled many thousands of miles of leased wires. In 1882 The United Press entered the field. A year later another, but smaller rival, The Press News Association was established. Meanwhile, discussions arose over contracts between the New York and the Western associations, and so warm did the disputes wax that they were carried into the courts. After litigation, the Western Associated Press was dissolved. A new Associated Press was organized under the laws of Illinois, and for several years a keen rivalry existed between the newer organization

and The United Press. Again there were serious disputes, and in ⁸
1900 The Associated Press was reorganized and re-incorporated under
the laws of New York. In the interim the Press News Association had
died of mismanagement, and soon afterward The United Press disinte-
grated. The Associated Press, therefore, had a clear field, and it be-
gan a career of prosperity unchecked by the presence of rivals
1.
worthy the name.

This enviable position was not maintained long, however.
With the exception of the New York Sun, The Associated Press served
practically all the New York papers with news both domestic and
foreign. It was this paper which decided to compete with, and if
possible destroy, The Associated Press. An independent news-gather-
ing service called The Laffan Bureau was organized. From what re-
mained of The United Press together with a number of newspapers be-
tween New York and San Francisco, a rather formidable organization
was established. A third organization known as the Scripps-Mc Rae
Press (Western Service) and the Publishers' Press (Eastern Service)
was established in 1903 and served several hundred newspapers. Still
another concern was launched known as the Scripps News Association.
Later Mr. W.R. Hearst entered the field and established an indepen-
dent news service. Intense rivalry exists between these different
organizations, and nearly all of the larger ones retain resident
correspondents in many American cities and in foreign capitals.

THE To-day the strongest rival of The Associated
UNITED PRESS. Press is The United Press. Two ideas are responsible
for its existence. In the words of Mr. Roy W. Howard
the chairman of the Board of Directors, these are

first,"the belief that the demands of the evening newspaper publishers can best be met by an agency devoting its whole effort to the interest of afternoon papers;second,that news is a commodity that should not be controlled by an institution likely to limit the number of newspapers in the country." ^{1.} As a result The United Press was organized with a membership of less than three hundred papers. Its growth has been rapid,and to-day it is a national organization of considerable power,second only to The Associated Press.

The present organization is in no wise connected with the old United Press which,as previously stated, disintegrated in 1897. At that time a number of members of the old organization were unable or unwilling to join The Associated Press. Among the latter was Mr. E.W.Scripps who formed the Scripps-McRae Association mentioned above. It was composed of a small group of Middle Western papers. About the same time the Publishers' Press was formed in the East by Mr. J.B.Shale. Four or five years later a third organization was established known as the Scripps-Blader Press Association. Its product consisted merely of a pony report from Chicago to San Francisco and from there relayed to a few Pacific Coast papers.

For several years these three separate organizations struggled along under independent but unsatisfactory managements. Neither was profitable;neither was a strong rival of The Associated Press. Finally in 1907,the three concerns were merged into The United Press Association. Its night service was soon abandoned,and attention directed to the development of the afternoon service with the gratifying success already alluded to. A policy of "To-day's

1. The Editor and Publisher and Journalist, April 26, 1913.

"News To-day" was inaugurated, as a result of which the younger organization attracted additional members to its rapidly increasing clientele. Its leased wire system was extended, the number of subsidiary bureaus was increased, and the Pacific Coast pony circuit was expanded. Increased efficiency of its foreign service was made possible by the replacing of all foreign-born managers by American newspaper men, a policy earlier adopted by The Associated Press. Alliances were also made with foreign news bureaus in the larger capitals. As a result of these improvements, The United Press has become "the largest exclusively-afternoon news service in the world, with the largest clientele of afternoon papers ever served by a single agency."^{1.}

V.

THE ASSOCIATED PRESS.

With this brief survey of the rivals of The Associated Press we may now consider in detail the history of that organization. Its inception was a step in a development based on cooperation and concentration.^{2.}

Like all large undertakings it began in a small way, for its original membership in 1848 consisted of only six or seven New York publishers who, conceiving the idea of cooperation in gathering news, had entered into an agreement to obtain their information at their common expense and for their common benefit. Realizing the worth of this joint agency, papers outside of New York endeavored to buy its news. This led to their subsequent admission to membership in the organization. These outside papers not only paid for the general news, but turned over to the association any news originating in their territory. The success of

1. The Editor and Publisher and Journalist, April 26, 1913.

2. Edward Arden in The Chautauquan, Vol. 29.



the parent organization led to the formation of smaller ones, and ¹¹ as stated above, they were later merged with the pioneer association to form a general alliance called The Associated Press.

A fatal defect of this early organization, however, was the fact that the New York papers were allowed complete control. It became a mercenary concern. Dissatisfaction reached a climax in the year 1882 in the revolt of The Western Associated Press, as a result of which, a new federation was formed. Expenses were more equally apportioned, and the western members were given a voice in the administration. Shortly afterward the Southern Associated Press was organized. "The agreement between the sectional associations continued until 1892, when the charter of the Western Associated Press being about to expire, its members incorporated 'The Associated Press' ^{1.} under the laws of Illinois."

This organization was a stockholding company, but the stockholders were limited to eight shares held by newspaper proprietors only. It was "a mutual cooperative association" formed from the wreckage of the old press bureaus. The needed funds to finance the organization were obtained through the issue of bonds. The newspaper publishers who took the original bonds were given forty-one votes in convention against one vote to those who came in later. It was provided by "right of protest" that the original members might unite to stamp out any new-comer from their field of operations. New members were thus admitted with great caution. Refusal to admit was almost prohibitory, while the withdrawal of news from established papers was practically fatal. This monopolistic character of the organization in confining its news service to its members led to a suit at law, the decision in which formed a turning

point in the organization's history, and is therefore of great import

At the time of this serious litigation, The Associated Press was an Illinois corporation formed to collect news in all sections of the country and to furnish it to the daily newspapers which were stockholders of the association. One of the by-laws required that all papers receiving its service must enter into a contract not to purchase news from any rival association. Another forbade the association to furnish its service to any newspaper in the territory of one of its members without the consent of the member. In 1899, the Chicago "Inter Ocean" which belonged to The Associated Press, violated its contract by purchasing reports gathered by The Sun Printing and Publishing Association of New York City. The management of

The Associated Press was about to withdraw its service from the offending member to discipline it for purchasing news from a rival, when the "Inter Ocean" secured a temporary injunction. The con-

test was carried into the Circuit Court of Cook County where a decision was rendered in favor of The Associated Press. An appeal was taken to the Appellate Court of the First District, and from there a second appeal was taken to the Supreme Court which reversed the findings of the lower tribunals. With the concurrence of all of its seven judges, a decision was handed down that the contract to prevent a newspaper from buying news wherever it desired was contrary to public policy and void from the beginning. The substance of the decision, as rendered in the opinion of Mr. Justice Phillips, follows:

1.a. CORPORATIONS. Unused charter powers are important in determining nature of corporations.

1. Illinois Reports, Vol. 184, page 438.

- b. The business of a telegraph company is impressed with public interest.
- c. The owner of property which is devoted to a use in which the public is interested in effect grants to the public an interest in such use, and must to that extent submit to be controlled by the public for the common good, so long as such use is maintained.
- d. The Associated Press must furnish news for publication to all alike. It has devoted its property to a public use and can make no discrimination against persons or corporations who wish to purchase, for purposes of publication, news and information which it was created to furnish.
- e. The obligation of a corporation charged with a public interest does not arise from or rest upon contracts made by it in conducting its business, but grows out of the fact that the corporation is discharging a public duty, or a private duty which has been so conducted that the public has become interested therein.
- 2.a. MONOPOLY. The restrictions attempted to be imposed by The Associated Press through its contracts and by-laws upon the right of members to purchase news from other agencies which such corporation may declare to be antagonistic, are null and void, as tending to create monopoly and restrict competition.
- 3.a. INJUNCTION. The Associated Press may be enjoined from refusing to furnish news reports to a member who has contracted therefor and who will suffer irreparable

injury if deprived thereof, where the only ground for refusal is based upon the complainant's violation of illegal provisions in his contract and by-laws of the corporation restricting him from purchasing news reports from antagonistic agencies.

It was thus declared that the contract was an attempt at restriction upon the trade and business among the citizens of a common country. "Competition can never be held hostile to public interest, and efforts to prevent competition, by contract or otherwise, can never be looked upon with favor by the courts."

This was one of the most far reaching decisions of its kind ever rendered. It is deserving of considerable attention in view of the fact that The Associated Press to-day furnishes telegraphic information to over eight hundred members representing the leading newspapers of the country. It therefore assumes public duties such as rest upon telegraph companies or common carriers of any description which do an interstate business. It is bound to serve all publishers alike; and any contract to foster favoritism is an attempt to create a monopoly and is therefore void. "The decision rendered rests upon the common law and not upon any express statute of the State of Illinois."¹ This makes difficult any evasion of the obligations pointed out by the court. If the principles upon which the decision is based are applied to other industries which the courts may for similar reasons declare to be detrimental, the unfair contracts by which manufacturers prevent merchants from buying from their competitors may be annulled, and statutes enacted which shall afford redress to those who suffer from such contracts.² "It is a

1. The Outlook, June 23, 1900.

2. Ibid.

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victory for the independent paper and the public. It is based on the broad principles of the common law." ^{1.} The effect upon the Associated Press was to cause its immediate reorganization, the Illinois charter being supplanted by one granted by the State of New York.

Having thus traced the history of The Association of Presses up to the time it was incorporated in its present form, it may be well to present a more minute description of its organization and management. Its objects and purposes are "to gather, obtain, and procure by its own instrumentalities, by exchange with its members, and by any other appropriate means, any and all kinds of information and intelligence telegraphic and otherwise, for the use and benefit of its members, and to furnish and supply the same to its members for publication in the newspapers owned or represented by them, under and subject to such regulations, conditions, and limitations as may be prescribed by the By-Laws; and the mutual cooperation, benefit, and protection of its members." ^{2.} The corporation is not for profit, it neither makes nor declares dividends, and does not engage in the business of selling news.

Eligibility to membership in the association is thus set forth in the by-laws: "The sole or part owner of a newspaper, or an executive officer of a corporation, limited liability company, or joint stock or other association which is the owner of a newspaper, shall be eligible to election as a member of this Corporation, in the and upon and subject to the conditions and limitations hereinafter specified, provided that not more than one person at a time shall be eligible by reas-

1. The Outlook, June 25, 1900.

2. Certificate of Incorporation. (Charter and By-laws, page 3)

on of connection with any one newspaper. No other person shall be

eligible." ^{1.} Applicants for membership must file with the Secretary such proof as shall be required by the Board of Directors of their ownership or part ownership of a specified newspaper. With the termination of membership all rights and privileges of the corporation and interest in the property cease.

Members may be elected in either of two ways: by the affirmative vote of not less than four-fifths of all the members of the corporation at any regular or special meeting; by the board of directors when no meeting of the members is in session. All entitled to membership are required to sign the roll of members and assent in writing to the by-laws. To each member is issued a certificate of membership signed by the president and the secretary of the corporation, and bearing its seal. This certificate designates the newspaper for which the member shall be entitled to receive the news reports of the association; the language in which the newspaper is printed; whether it is a morning or afternoon paper; the place of publication; whether the member is to receive day or night reports; the extent and nature of the member's right of protest; the obligation of a member to furnish the news of a prescribed district, and to pay the regular weekly dues and other assessments as fixed, from time to time, by the board of directors.

The "right of protest" above referred to, relates to the admission of new members by the board of directors. By an affirmative vote of seven-eighths of all the members this right may be conferred upon a member who then is empowered to demand a vote of the members of the corporation on all applications for the admission of new members. This right may be waived.

The management of The Associated Press is lodged in the hands of the board of directors, now composed of fifteen members two of whom are elected annually for a term of three years by the members and those entitled to vote on the bonds. They have the power to make contracts; to fill vacancies in their own number until the

BOARD OF DIRECTORS next annual meeting; to elect and remove officers and agents; to borrow money; to engage and discharge employees; to issue bonds; to fix the compensation of officers and agents; to authorize mortgages and to expend the money of the corporation for its lawful purposes. In short, the absolute control of The Associated Press is centered in this all powerful body of fifteen.

The officers of the corporation are a President, a first Vice-president, a second Vice-president, a Secretary, an Assistant Secretary, and a Treasurer who are elected annually by the directors

OFFICERS The President is selected from among the directors, and the Vice--presidents from among the members of the association, but the other officers need not be members.

The rights and privileges of members are clearly set forth in Article VII of the By-Laws. At all meetings each member is entitled to cast one vote by virtue of his membership and such additional votes as he may be entitled to cast as the holder of bonds issued by the corporation. Upon compliance with the by-laws, each member is entitled to receive a service of news for the purpose of publication in the newspaper specified in his certificate of membership, and for that purpose only. The nature and extent of the service so rendered is determined by the directors, and is furnished only to the members of the corporation or to the newspapers which they represent, and no member is permitted to publish the news

of The Associated Press in any other paper, language, or place except that specified in his certificate of membership. The time for the receipt and publication of news by members is limited as follows: "Morning papers to receive not later than 5 A.M., and to publish between 11 P.M. and 11 A.M.; afternoon papers to receive not later than 4 P.M., and to publish between 11 A.M. and 11 P.M." ^{1.} Upon extraordinary occasions the board of directors may authorize the publication of Associated Press despatches in extra editions, or for bulletins outside of the hours named. No news furnished to the Corporation by a member shall be supplied by the Corporation to any other member publishing a newspaper within the district which the Board of Directors shall have described in defining the obligations of such members to furnish news to the Corporation." ^{2.}

A knowledge of the duties and obligations of the members is likewise essential in acquiring a full understanding of the association's organization. Of chief import are those which relate to news. Each member not only receives and publishes the news furnished by the corporation, but he is also under obligation to furnish to it all the news of his district, the area of which is determined by the board of directors. "In places where the association has a correspondent, the member shall afford to such correspondent convenient access at all times to the news in his possession, which he is required to furnish as aforesaid, and in places where the Corporation has no correspondents the member shall supply the news required to be furnished by him in such manner as may be required by the Board of Directors." ^{3.} The news so furnished must be spontaneous in its origin. Furthermore, the news must be of general interest only, and

- 1. Article VII Sec. 6 By-laws.
- 2. " VIII " 8 "
- 3. " VIII " 4 "

must not include in any territory any specific variety of news not desired by a majority of the members receiving the reports on the wires affected. It is contrary to the policy of The Associated Press to transmit editorial opinions upon political or partisan matters. All news reports are carefully guarded, for no member is allowed to furnish, or permit anyone in his employ or connected with the paper he represents, to furnish to any person who is not a member, the news of the corporation in advance of publication. In order to prevent the violation of this rule it is provided that "The Board of Directors may, in their discretion, forbid the members to purchase intelligence from any other such association." ^{1.} This rule has been found necessary by experience, the purchase of news from rival organizations being "seriously prejudicial to the interest and welfare of this corporation and its members." ^{2.} Then the board of directors by a vote of two-thirds of its members decide and notify any member that the purchase or receipt of news from any other source than a member of The Associated Press is detrimental to the interests of that organization, such member must immediately discontinue purchasing or receiving such news. Such a decision is final. Furthermore, all members are prohibited from furnishing, to anyone not a member of the corporation, the news which they are required by the by-laws to supply to the corporation.

"The cost of collecting, exchanging and transmitting news, as well as all other expenses of the corporation, are apportioned among the members by the Board of Directors, in any manner which it may deem equitable." ^{3.} These expenses are met by assess-

1. Article VIII Sec. 7 By-Laws.
2. Ibid.
3. Article IX Sec. 1 By-Laws.

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ments levied upon the members by the board. In order to create a surplus fund, additional assessments may be levied not to exceed fifty per cent. Assessments over this amount can be authorized only by a two-thirds vote of all the directors. As in other matters the decision of the board is final and conclusive. All regular assessments levied against the members are payable weekly in advance. They must be paid promptly, and if unpaid at the end of three days after presentation, a penalty of ten per cent. thereon is added. In default of payment the member is notified that the news service will be discontinued at the expiration of two weeks unless all overdue assessments and penalties are paid to the treasurer before that date.^{1.}

An important provision in the by-laws is that regarding the issue of bonds.^{2.} The corporation is given the power to borrow money and to issue bonds as security for such indebtedness, provided that the amount so issued shall not exceed the aggregate sum of \$150,000. At any meeting the directors may authorize an issue of bonds and determine the form and rate of interest. The corporation reserves the right to redeem these bonds at their face value with the interest due or accrued thereon, whenever they shall come into the possession of anyone not a member of the corporation. The execution of a mortgage upon the property of the corporation to secure the payment of the bonds may also be authorized by the board of directors.

1. On February 1, 1912, a revision of assessments based on the government census of 1910 was made generally effective. The result was the elimination of a financial shortage such as was shown for the year 1911, its place being taken by an excess of receipts over expenditures for 1912 of \$49,734.57. (Report of Board of Directors for 1912 printed in The Editor and Publisher and Journalist, April 26, 1913, page 101.)

2. Article XII By-Laws.

A peculiar provision exists regarding the voting power of the bonds. Any holder of a bond may file with the secretary a waiver of any claim to interest on the bonds held by him. Thereupon he becomes entitled "at any meeting of the members of the Corporation for the election of Directors to cast one vote, either in person or by proxy for Directors upon each \$25 of such bonds registered in his name for not less than twenty day prior to such meeting provided that no bondholder shall have the right to vote upon more than \$1000 of said bonds, and shall not have the right to vote on any bond that shall have been called for redemption at any time before such election."¹ Each member thus has a voice in the management. This, together with the fact that admission is controlled by a vote of the members, makes the organization resemble a club. The report of 1908, however, showed First Mortgage bonds to the amount of \$122,250 outstanding.² Since the power to issue the bonds rests in the hands of the directors they control the election of officers and the association's policies. "The published record does not disclose the owners of the bonds and the number of votes cast by each member," continues Mr. Kittle, "but it is plain that a membership representing most of the seven hundred members in the association has less than one-seventh of the total voting strength at the annual election of officers."

Having thus reviewed the general features of administration, we may pass on to a more detailed account of the organization and management of this giant corporation, taking up first its domestic news service and then its operation in foreign fields.

1. Art. XII. Sec.3, by-laws.

2. William Kittle in the Arena, vol. 41.



DOMESTIC NEWS SERVICE.

To facilitate its collection and dissemination of news in this country, the United States is divided into four great sections, each of which is in charge of a division superintendent. The eastern division comprises New England and the area west to Pittsburgh and south to Washington, and has its headquarters in New York. The central division includes the district from the Ohio river to Canada and from Pittsburgh to Denver, with the central office at Chicago. The southern division embraces the entire South, the headquarters being at Atlanta. The western division consists of the districts west of Denver to the Pacific coast, its main office at San Francisco. At Washington a special Bureau is also maintained to collect and distribute government news. Each division superintendent is in charge of a large force of trained men, experts in gathering and transmitting news, and each a writer of ability. All, however, are responsible to one man—the general manager at New York. At any time this vast concern can act as a unit, so perfect is its organization. The entire country is honeycombed with its agents. The large news centers maintain subsidiary bureaus under which are numerous correspondents located in the smaller towns. Each man is assigned to a particular district. Every office is connected with the other by leased wires. So complete is the organization that a "scoop" by a rival is practically impossible. Each newspaper contributes to the common budget all news of national importance originating in its vicinity. Despite the immensity of the enterprise the method of work is comparatively simple.

This system may be described by taking any one city as

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an example—Chicago for instance. All Associated Press papers in Chicago gather the news of that city and the surrounding territory through reporters and special correspondents. As stated above, the agents of the Associated Press have access at all times to the proofs of these papers, and they are thus enabled to pick out all news items that are likely to be of interest in other states. The Chicago agent sends the news thus collected to other distributing centers, from which points it is sent on to others. At the same time Chicago is receiving news budgets from other cities.

In this transcontinental system of news-gathering and news distributing the "relay stations" are important factors. Although the general news is sent to all members of the association, the local aspect must not be overlooked.¹ It is a well known principle that the farther news travels from its source, the less becomes its value. It is essential, therefore, to adjust the service

RELAY
STATIONS.

to the locality. This is done by breaking the leased wire circuits by what are called "relay

stations" where the wires instead of passing directly through are cut, thus necessitating a rehandling of the matter.² These stations are located at division headquarters and at branch offices throughout the country. Wherever a wire is cut, a filing editor sits between the two ends and readjusts the incoming reports. These men are of exceptional training and ability. The value of the news must be determined instantly; the adjustment must be quick and unerring. In no other position in the newspaper world is there such discrimination needed.

As the telegraphic reports are received in the larger

1. Chas. E. Kobleber, "The Bookman", vol. 14.
2. Ibid.

cities, the news is typewritten on carbon copies of tissue paper called "flimsy", and transmitted in pneumatic tubes to the various newspaper offices. In one of the big offices like New York or Chicago, The Associated Press daily receives and transmits sixty thousand words or fifty columns of news. It leases and operates approximately forty thousand miles of wires. In the day run between New York and Chicago there are three wires in constant operation. Between Chicago and San Francisco there is a single wire during the day and a double wire at night. These leased wires are called transcontinental circuits. Other leased wires run in all directions from division headquarters, tapping all the principle cities in the country. The annual expenditures amount to \$3,000,000. The smaller news reports are handled by a "pony service" over commercial telegraph or telephone lines which connect the outlying towns. So perfect is the system that nearly two thousand words an hour can be handled by telegraph, and four thousand on one telephone circuit, while fifteen or twenty papers can copy reports simultaneously.

In addition to a large staff of editors, there are hundreds of salaried employees and five thousand correspondents on space pay. These are augmented by every editor, reporter, and correspondent of every paper in its membership. "To gain but a vague idea of the importance of the functions of The Associated Press, one must magnify a thousand times the work of the daily paper in its local field."¹

FOREIGN NEWS SERVICE.

The foreign news service of the organization is as

1. The Century Magazine, vol. 69.

nearly perfect as is its domestic. The world is divided among four agencies¹. The first is the Reuter Telegram Company of London, a successor to the first press association. This agency includes Great Britain, her colonies, China, Japan, and Egypt. The second is the Continental Telegraphen Company (Wolff Agency) located in Berlin. It serves the Teutonic, Slav, and Scandinavian countries. The third is the Agence Hava of Paris which includes in its territory all the Latin nations. The fourth agency covers this country, the Phillipines, and Central America.

Each of these agencies has representatives in the offices of the others. In every nation of importance tributary agencies are maintained, supplemented by Associated Press bureaus in the more important capitals, and foreign correspondents scattered all over the globe from Amboy to Zurich. As in the United States the organization of the Associated Press abroad is complete, systematic, perfect. Its ramifications extend to every nook and corner of the old world. "It is thus able to comb the earth for every happening of interest, and to present it to the newspaper reader with almost incredible speed. Prominent events are reported by correspondents who are Americans and familiar with American newspaper methods. These foreign representatives are drawn from the ablest men in the service, and the offices they fill are obviously of great responsibility. They must be qualified by long training in the journalistic profession by familiarity with a number of languages, and by a presence and bearing which will enable them to mingle with the men of the highest station in the countries to which they are accredited."²

1. The Century Magazine, vol. 69.

2. Mr. Stone in the Century Magazine, vol. 70.

The systematic organization of its foreign service was not attained without considerable trouble, and to Mr. Stone, more than any one else, is due the credit of perfecting that branch of the service. The story of Mr. Stone's efforts is a story of American enterprise and diplomacy. Attempting what seemed to be impossible, he succeeded where others had failed, and sweeping aside all the barriers before him he accomplished his purpose—to make The Associated Press the foremost organization of its kind.

One chapter of the narrative relates to the removal of the Russian censorship from news, and it is a forceful illustration of the tact and resourcefulness of Mr. Stone. After satisfactory relations had been arranged between the Associated Press and France, Germany, and Italy, attention was turned to Russia as the place of chief interest.¹ Correspondents had been stationed at St. Petersburg because of the strong opposition to foreign newspaper men. It

REMOVAL
OF
RUSSIAN
CENSORSHIP.

was therefore necessary to await a favorable opportunity to enter the Czar's domain. Furthermore, it was essential that a man particularly well fitted for a position which required such a high degree of tact, ability, and discretion should be selected with a great deal of care. "The business of news-gathering was under the ban of the Czar's empire. Every conceivable obstacle was put in the way of the foreign journalist who attempted to telegraph news thence to any alien newspaper or agency. The doors of the minister of state were closed; no public officials were given audience to a correspondent, and all telegrams were subjected to a rigorous censorship"

1. Mr. Stone in the Century Magazine, vol. 70.

2. Ibid.

Upon the advice of the Russian ambassador at Washington and an agent of the Russian government, Mr. Stone sailed for St. Petersburg in December 1903. To the agent of the Czar, whom he met in London, he explained that in order to receive Russian news direct from St. Petersburg instead of through London, four things were essential. First, the Russian government must accord The Associated Press a rate that would enable it to send news economically. Second, the same precedence must be accorded its news dispatches as had been granted by other governments. Third, the doors of the departments must be opened and the news given. And, fourth, the censorship be removed in order that news could be sent.

The friendly intercession of the ambassadors of France and Germany together with the support of Count Cassini, the Russian ambassador at Washington, and the influence of Mr. McCormick, our own ambassador, aided Mr. Stone greatly in his arduous task. He arrived in St. Petersburg and was granted an audience with the Russian minister of foreign affairs, who expressed himself as being in favor of the plan. The whole question of censorship and of telegraphic transmission, however, was in the hands of the Minister of the Interior, M. Plehve, who said frankly that he was not prepared to abolish the censorship. He was willing to do what he could, however, but the granting of a press rate was in the hands of the minister of finance, and the expediting of despatches was under royal control. In addition, the restrictions upon correspondents had been so great that they were forced to get their information from hotels, cafes, or on the street. Most of the news thus gathered were idle rumors of the wildest character. Moreover, the censor was least accessible when he was most needed. His intense fear of royal criticism made him loath to take chances, and as a result, few des-

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patches were approved. The few which did pass scrutiny had to be taken two miles to a telegraph bureau, paid for in cash, and transmitted after the wires had been cleared of all government and commercial business.

Such was the situation which confronted Mr. Stone. "The case seemed nearly hopeless after my audience with M. Plehve," he writes, "and I was delaying my departure from Russia only until I should receive a definite statement that nothing could be done, when the following Sunday morning the American ambassador called me on the telephone and said that I was to be commanded to an audience with the Emperor on Monday."

In the meanwhile conferences with the censor and the minister of telegraphs had disclosed a more favorable attitude towards the project. A more rapid transmission of news at a satisfactory press rate, and an arrangement for a charge account which would make unnecessary the payment of cash, boded well for the success of Mr. Stone's mission.

The interview with his Majesty was without ceremony, frank, and cordial. Mr. Stone emphasized the desire of the United States to cement the friendly relations which had existed for a century. His majesty expressed the same wish. Mr. Stone made clear the fact that it was his desire that the correspondents of The Associated Press treat Russia as a friend; but they must be free to tell the truth. Without the "open door" in all departments and the removal of the censorship this could not be accomplished. The policy of censoring all news despatches had worked considerable harm. A traffic in false news had been built up, correspondents had been made enemies, and the Russian telegraph lines had been deprived of

revenue. If this situation were remedied, and the Associated Press allowed to tell the truth, the world would receive news direct from Russia uncolored and authentic.

The Emperor recognized the fact that the existing plan was valueless, and that the proposed measures, although regarded as almost revolutionary in character by Minister Flehve, would be a tremendous step forward. He desired a week to consider the matter, however, promising that he would undertake to do all that Mr. Stone desired. In the meantime war with Japan began. Mr. Stone after transmitting a memorandum of his wishes to his Majesty, prepared to leave, feeling that it was an inopportune time to pursue the matter. Before he started, however, he received word that his wishes would be granted, the Emperor having officially approved the memorandum. Leaving the matter in the hands of the authorities, Mr. Stone departed for home. Upon his arrival in Vienna he was gratified to learn that the censorship had been abolished so far as The Associated Press was concerned. Forty-eight hours afterward the restrictions were removed from everybody, and to-day all foreign correspondents are free to write and send matter from any part of Russia as from any other country in the world.

The Associated Press is distinctly and essentially a news-gathering and news-distributing organization. And other than

AIM
OF
THE
ASSOCIATED
PRESS.

that it has absolutely no interest. It has no axes to grind, no policies to promote, no interests to defend. Representing as it does newspapers of practically every political, religious, and sociological belief it is, to a great extent, nonpartisan, non-political and non-sectarian. Its sole aim is to secure news and to have that news transmitted accurately to its main offices and to its news-

papers ahead of all competitors. "The Associated Press is not satisfied to receive its news on an equality with others. Its aim is to secure such news as it desires before all others, and it wishes its employees to feel that in this effort to be first any well directed enterprise always will receive the support of the management." ¹ "The employees must be honest, fair, just, and gentlemanly to all, and in return they shall demand fair treatment, justice, and respect from those with whom they deal." ² This in brief is the scope and requirements of The Associated Press; and it may be interesting to note some of the principles laid down by the management as further depicting the policy of the organization.

Every correspondent is in charge of a certain district, and he is expected to cover that area only except when assigned to another. All despatches must be sent in accordance with certain rules and regulations the observance of which is strictly enjoined. These instructions are set forth in a printed booklet for the guidance of all correspondents. First and foremost news despatches must be sent promptly. "Whatever the hour of the day, editions are going to press somewhere. Every minute is precious, whether in the day-³ time or at night. Now is the Keyword to Success".

INSTRUCTIONS
TO
CORRESPONDENTS.

News of extraordinary importance is first despatched in the form of a brief bulletin containing the essential features. The facts may warrant a second or third bulletin after which the whole story is wired as rapidly as possible. In ordinary cases a bulletin of not more than fifty words is sent to which is attached a query as to

1. Instructions to Correspondents, p.5.
2. " " " " " p.7.
3. " " " " " p.5.

how much is desired. If no reply is received within a reasonable time it may be understood that no more is wanted. Accuracy is likewise important, it being difficult to state whether promptness or accuracy is the more essential—"both are cardinal in Associated Press service; neither should be subordinated to the other." 'By the Associated Press' should indicate accuracy beyond a reasonable doubt.¹ Special rules govern the sending of rumors. If not libelous in their nature they should be sent immediately as rumors. If they contain information that might be libelous a message must be sent marked "Private, not for publication." Particular care must be used in the writing of places, persons, firms or corporations, ships, titles or numbers of railroad trains and the like, and pains² must be taken to see that figures and other quotations are accurate.

All correspondents must likewise be impartial. They must have neither friends nor enemies. Advertisements and "puffs" of any kind are prohibited, and the transmission of editorial opinions upon political or partisan matters is contrary to the policy of The Associated Press. All despatches must be non-partisan, just, and fair.

The Associated Press does not handle local news. Its service is entirely general in character. In order to insure its transmission a despatch must be of interest to at least a majority

CHARACTERISTICS
OF
ASSOCIATED PRESS
SERVICE.

of the papers on the circuit that is to carry it. This interest should be at least state wide. It is also essential that all news despatches shall be written clearly and concisely without

grammatical errors or involved sentences. Fine writing and slang are

1. Instructions to correspondents, p.6.

2. " " " " " " , p.7.

tabooed. Straight forward statements of facts told as briefly as is consistent with an adequate and intelligent account of what has happened. This constitutes the requirements of despatches of The Associated Press.

Another essential characteristic of Associated Press service is vigilance. "There is no time in the twenty-four hours when news is not news somewhere in the service."¹ Day and night correspondents alternate, and each is responsible for the news originating in his district up to the hour when the other begins work. Cordial cooperation is imperative in order that neither unnecessary duplications nor gaps in their joint service will result. News service is continual.

While the news service of The Associated Press is transmitted exclusively and ordinarily by telegraph, advantageous use of the mails may sometimes be used. This is especially true of what is known as "advance matter"—speeches, committee reports, descriptive

ADVANCE
MATTER.

material regarding stated meetings, dedications, ordinations, and celebrations of various kinds.

Such matter can be prepared well in advance and mailed to the main office, thus effecting an appreciable saving in telegraph tolls and space on leased wires. This "advance matter" is held in the office for release at the specified time.

In their quest for news all correspondents are directed to go to "to the people who know". Second hand news is not desirable. "The people who know what they are talking about" are the best sources of news. Every "Tom, Dick and Harry", is not to be trusted for information which can be had from authentic informants."²

1. Instructions to Correspondents, p.11.
2. " " " " " " , p.15.

In the sending of Associated Press despatches, authenticity is imperative. Of equal importance is the necessity of getting both sides of any controversy handled, and giving both the same fair treatment.

From this brief resume of some of the principles which govern the gathering and distributing of news by The Associated Press, it is evident that promptness, accuracy, impartiality, vigilance, authenticity, and generality are the primary characteristics of the service—a service which deals with news in its broadest sense. "Its field is the world" says Mr. Kloeber,¹ and it recognizes no limitations of geography, cost or enterprise in its self-created mission. Every field of human endeavor is covered. Battles or war, or debates in Congress or Parliament, floods, fires, pestilence, wrecks, trade, finance, sports—everything of general human interest is flashed throughout the world by the instruments of "the most powerful public opinion forming agency in the United States."²

The fact that it is a gigantic mold of public opinion is not the only reason for the tremendous influence and power which is wielded by the Associated Press. Its membership represents newspapers whose total circulation equals sixteen millions of readers daily. It furnishes over half the news published. Assuming that each paper is read by three persons, The Associated Press despatches are perused every day by more than one half the total population of the United States. Its numerous agencies, vast working force, its thousands of miles of leased wires, and its annual outlay of millions of

INFLUENCE
AND
POWER.

1. The Bookman.
2. William Kittle in the Arena, vol.41.

dollars, make it a leviathan among business enterprises. It accomplishes what a single newspaper could not even hope to do. Its prominence, wide scope, and cooperative character make it a model for all similar organizations. "In unscrupulous hands it could be used to turn elections, aid fraudulent schemes, or ruin reputations. But it is remarkably free from any such abuse." Its news service is unbiased. Facts are given untainted by "partisan coloring"; it seeks the truth only.

Is the Associated Press a monopoly? This question naturally arises in a study of its far reaching influence and power. First let us define a monopoly as "that substantial unity of action,

IS THE
ASSOCIATED PRESS
MONOPOLISTIC?

on the part of one or more persons engaged in some kind of business, which gives exclusive control, more particularly although not solely, with respect to price", and then proceed to a presentation of both sides of the issue.²

Mr. Kittle declares it to be a monopoly and supports his assertion by stating four tests of a monopoly: First, unity of management. The Associated Press is without doubt admirably organized. Second, exclusiveness. The membership is limited. Third, economic advantages. The privileges of the corporation are conferred to eight hundred newspapers who alone can sell the news. The largest net returns paid by the public will accrue to the membership. It reduces the output of news by limiting the area of circulation, and thereby raising the value of what is sold. Continuing he says, "as a system against customers, the public, and against its competitors, the 21,000 newspapers, it is a monopoly. The co-operative feature is mainly nominal, because most of the members owning newspapers have

1. E. L. Shuman, "Practical Journalism". Chap. VI.
2. Richard T. Ely, "Elements of Economics."

no voice in the management. They buy the news and each paper monopolizes the news of the world in its immediate locality. It defeats competition by furnishing news cheaper and quicker. It is not truly co-operative because the membership is limited to seven hundred out of twenty-two thousand. If it were it would admit to membership all who were willing to pay the pro rata share of expenses according to services rendered. It is true the Associated Press is not a monopoly like a copyright or patent right, as it has not exclusive government grant or franchise. It is not a natural monopoly like the ownership of coal beds or oil regions, for the unlimited production and reproduction of the press despatches cannot exhaust the raw materials from which they proceed. Their production on an immense scale by management for a limited number of persons, giving to such persons an economic advantage over their competitors is indeed different from a local monopoly like a city utility company, but it is nevertheless a very real and practical monopoly. There is and can be no absolute monopoly. But the owner of a newspaper in any considerable city in the United States, not on the membership of the Associated Press, knows that he cannot furnish news of equal value with that of his competitor who is a member; and when he is denied admission to membership, he needs no elaborate argument to prove that it is a monopoly." ¹

Mr. Stone declares The Associated Press to be "purely mutual in character. It is a clearing house for the interchange of news among its members." ² It has been subject to attacks from many quarters but the frequent criticisms result from want of knowledge of the true mission of the organization. Many persons un-

1. Wm. Xittle in the Arena. vol. 41.

2. Mr. Stone in the Century Magazine, Vol. 70.

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familiar with newspaper methods, "writes Mr. Stone, "mistake special⁴ telegrams for Associated Press service and hold us to an undeserved responsibility. Many others, having "axes to grind", and quite willing to pay for the grinding, find it difficult to believe that not only does the association do no grinding, but by the very nature of its methods such grinding is made impossible. The man who would pay The Associated Press for 'booming' his project would be throwing his money away. Any man in the service of the Association, from the general manager to the humblest employee, who should attempt to boom a project would be instantly discovered, disgraced and dismissed.

"The four years' struggle with the United Press was waged over this principle. Victor E. Lawson of the Chicago "Daily News", Chas. W. Knapp of the St. Louis "Republic", Frederick Briscoll of the St. Paul "Pioneer Press", and those associated with them in that contest, deserve the lasting gratitude of the American people for having established, at a vast cost of time, labor, and money, a method of news-gathering and distribution free from a¹ chance of contamination. Seven hundred newspapers, representing every conceivable view of every public question, sit in judgement upon The Associated Press despatches. A representative of each of these papers has a vote in the election of its management. Every editor is jealously watching every line of the report. It must be obvious that any serious departure from an honest and impartial service would arouse a storm of indignation which would overwhelm² any administration."

1. The total membership in 1912 was 866, a gain of 36 during the year. There were 319 morning papers, 493 evening papers, and 44 Sunday papers on the Continent, 6 papers in Cuba, 2 in Hawaii, and 2 in Mexico.

2. Century Magazine Vol. 70, p.386.

After considering both sides of the question, and interpreting the workings of the organization in the light of Mr. Aly's definition, it would seem that The Associated Press is not a monopoly. It does not possess "exclusive control" over the collection and dissemination of news. It has formidable rivals, chief among which, as previously stated, is the United Press. As long as this condition continues, The Associated Press cannot rightly be called a monopoly. Not until the other press associations unite with it will a monopoly, in the true sense of the word, exist. Competition is not destroyed. Furthermore, there are numerous newspapers throughout the country to-day which not only exist, but apparently thrive, and yet they are not members of The Associated Press. It is true that the members enjoy certain advantages which are not shared by non-members. These gains, however, are differential and not monopolistic. In other words, they are due to superior efficiency and not to special privileges, or to an exclusive control of the news market.

The development of its foreign service is an additional cause for the present wide influence and power exerted by The Associated Press. By reason of the negotiations made with alien governments, it is able to usurp to a great extent the functions of the diplomat. "It makes for universal peace in a remarkable way. Instead of public questions now passing through the long and tedious methods of diplomacy as formerly, the story is told with authority by The Associated Press. The authorities of the foreign offices of the different European governments recognize the independence of The Associated Press, and have virtually made choice of it as a forum for the discussion of current questions of international interest. They recognize that in the end it is the high court of pub-

lie opinion that must settle international questions, and not the
immediate determination of the foreign office of any country." ³⁸
₁

Its importance is further recognized in the Illinois Supreme Court decision previously referred to, an extract from which follows: "The organization of such a method of gathering information and news from so wide an extent of territory as is done by the appellee corporation, and the dissemination of that news, requires the expenditures of vast sums of money. It reaches out to the various parts of the United States, where its agents gather news which is wired to it and through it news is received by the various important newspapers of the country. Scarcely any newspaper could organize and conduct the means of gathering the information that is centered in an association of the character of the appellee because of the enormous expense; and no paper could be regarded as a newspaper of the day unless it had access to and published the reports from such an association, as appellee. For news gathered from all parts of the country the various newspapers are almost solely dependent on such an association, and if they are prohibited from publishing it or its use is refused to them, their character as newspapers is destroyed, and they would soon become practically worthless publications." ₂

The power and influence of The Associated Press are thus paramount features of its organization. As shown by the foregoing they are due to a number of causes. Among business enterprises of its kind it is the pioneer. By reason of its systematic organization and wide range of news it is enabled to furnish complete market, shipping, sporting, and routine, yet highly important news reports, with an accuracy and detail incapable of duplication.

1. Mr. Stone in the Century Magazine, vol.70.

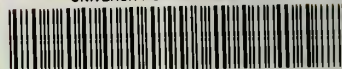
2. Illinois Reports vol.184.

It is a co-operative enterprise. Composed of hundreds of papers of great wealth and power, it secures by the pooling of the several resources and energies at its command, a maximum of efficiency. Its development has been a process of evolution from a local enterprise to, what Mr. Shuman chooses to call, "a national monopoly." But whatever monopolistic characteristics The Associated Press may possess they are inherent in the type of business organization it has seen fit to ally itself with. It is a colossal consolidation, and it therefore enjoys the advantages which co-exist with this particular kind of enterprise—an enterprise which offers abundant material for the student of Economics.





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